

THE LEONARD LETTER

July 11, 2005

QUOTE OF THE WEEK

"One ought never to turn one's back on a threatened danger and try to run away from it. If you do that, you will double the danger. But if you meet it promptly and without flinching, you will reduce the danger by half." --- Winston Churchill

UNDER THE DOME

*****Does a July Budget Mean No November Election?*****

The legislature missed its constitutional deadline for passing the state budget, but it managed to pass the budget much faster than it usually does. Now the focus of politicians and pundits alike will turn to the Governor's Live Within Our Means initiative. The biggest issue for some with that measure is a portion that allows mid-year corrections to the state budget. This is fairly common at other levels of government; cities usually hold quarterly budget adjustment hearings to bring their budget in line with their actual revenue. Some argue that the Governor wants this mid-year adjustment authority more than anything else in the measure and that if he is given that authority, he may be willing to drop his support for the overall measure. (That rumor also says that attorneys have been tasked with determining if and how a governor can un-call a special election if a deal is reached.) Certainly there is authority for agreement. I encourage all to read Article 4 of Section 12e of the State Constitution:

(e) The Legislature may control the submission, approval, and enforcement of budgets and the filing of claims for all state agencies.

I believe this language, particularly the word "enforcement," authorizes the legislature to develop a statutory means for the governor to have some kind of mid-year budget enforcement power subject to some level of legislative control or scrutiny. This language can get us to a place where the governor has proper fiscal authority with the proper balance of powers for the legislature. This is a proper role for the governor. The executive should have extensive authority to keep the state's fiscal house in order, just as all policy development really belongs in the hands of the legislative branch.

*****Hypocrisy*****

Is there anyone in California so naive to believe that Bill Lockyer, our Attorney General, would be defending the Secretary of State, Bruce McPherson, if the initiative in question was one that Lockyer liked? Instead, he sues McPherson. McPherson is correct in ruling that the initiative signed by almost one million people to reform the legislative redistricting process is the correct version to go on the ballot. Everyone agrees that the

“errors” had no consequence on the title of the initiative, which is the only duty assigned to the Attorney General. No one is hurt. No one is misled. Everyone can read the “correct” version anytime they want. Let’s debate the policy of not having legislators draw their own district lines instead of fighting this battle by lawsuit.

*****Doctor, Doctor*****

It may not be the end of western civilization, but it is close. I am speaking of the power play by the California State University system to begin granting doctorate degrees, which once was the exclusive province of the University of California. It’s not that doctorates are bad in and of themselves that has kept CSU from offering them; it’s the known fact that universities put more money into post-graduate research projects than into undergraduate work. CSU was supposed to be the workhorse of the state’s higher education system, teaching undergraduate students. Now it will divide its resources between the undergraduates and the doctoral candidates. I suppose that would not be so bad if CSU was excelling at its current mission, but it is failing at this core mission and should not take on additional responsibility. It spends more than one billion dollars per year teaching college students high school level coursework, and many of these students really do not catch up and truly achieve the fullness of a bachelor’s degree education. Having CSU now grant doctoral degrees is like the city granting me a building permit to add a second story onto my home when my basement is flooded and my first floor is collapsing. It will be a sad day for education in California if the legislature rubberstamps this bad deal.

*****When a Border Should Be More Than a Line*****

Last week, with almost no press coverage, the Assembly committee killed Ray Haynes and Mark Wyland's bills seeking to gain some measure of state control over the growing problem of illegal immigration. Haynes and Wyland made thoughtful arguments almost endlessly listing the problems caused by illegal immigration, particularly the cost to the government and taxpayers of California. The opposition was pathetic. All they could do was try to confuse illegal immigration with legal immigration. Haynes’ bill would have authorized a California Border Patrol to assist federal authorities. Wyland's bill would have limited California government services to citizens and legal immigrants. These ideas are so common sense that there should not even be a debate yet the liberals committee killed both bills.

*****Backlog in Bloated Bureaucracy*****

The Bakersfield Californian has its heart in the right place in its editorial (<http://www.bakersfield.com/opinion/editorial/story/5584423p-5556659c.html>) pushing for a faster teacher credentialing process in California, but it adopts the same misguided liberal mindset that created bloated state bureaucracies in the first place. We should be asking: what is the mission of the state teacher credentialing commission? The answer is: there is not one. Right now the credentialing process involves reviewing the person’s transcripts

and evidence of teacher preparation. Frankly, that process is repeated whenever a teacher applies for a job by that school district's Human Resources Department, so there is no need to duplicate that at the state level. The state process also involves a Department of Justice fingerprint check. The Justice Department can do that directly without having another agency involved. If we really want to speed-up the teacher credentialing process, then let the applicants pay the Justice Department directly and then have the information sent to the requesting school district. After all, that district is liable for hiring unqualified teachers.

*****Real Redistricting Reform*****

It has always bothered me that the legislative districts must be drawn according to number of people who live there and not according to the number of citizens who live there. It seems reasonable to limit the districts for purposes of "one person, one vote" to actual persons who are, or who would be, eligible to vote. Congresswoman Miller (R-Michigan) has introduced a Constitutional Amendment to accomplish this. The dramatic impact on California would be that California would be assigned six fewer members of Congress than it now enjoys solely due to the disproportionate number of non-citizens living in California compared to the other 49 states. This is one loss that California can certainly afford in the interest of equality and fairness.

MISCELLANY

*****A Good Read*****

Today I recommend a series of essays by Frederic Bastiat. You can find them in many forms, but the collection I have is titled "Selected Essays on Political Economy" by Frederic Bastiat and is published by the Foundation for Economic Freedom. Bastiat wrote in France in the 1840s, but the English translation is applicable to the political debates of our day. Consider the beginning of his essay "The Law." He warns of the problems that arise from "the disastrous principle ... that, under the pretext of organization, regulation, protection, or encouragement, the law can take from some to give to others..." A page later he praises the United States, saying "There is no country in the world where the law confines itself more rigorously to its proper role, which is to guarantee everyone's liberty and property. Accordingly, there is no country in which the social order seems to rest on a more stable foundation." Bastiat would be horrified today to see how far the U.S. has devolved from that principle. Indeed, we now exemplify the legal "plunder" he condemns. Whenever we are faced with a plea for such government-backed plunder, we should apply the thinking Bastiat sets forth in his essay "What is Seen and What is Not Seen." He uses the example of a broken window and how the money spent to repair the window stimulates other segments of a town's economy. But he notes, "The window having been broken, the glass industry gets six francs' worth of encouragement; that is what is seen. If the window had not been broken, the shoe industry (or some other) would have received six francs' worthy of encouragement; that is what is not seen." We, in 21st century America, would do well to ask ourselves this

question from 19th century France: what is not seen as a result of the legal plunder we perpetrate over and over again?

BOE AND LEGISLATIVE DATES

July 15, 2005 --- Legislature's summer recess begins.

August 15, 2005 --- Legislature reconvenes from summer recess.

August 31-September 1, 2005 --- BoE meets in Sacramento.

September 5, 2005 --- Labor Day.

September 9, 2005 --- Last day for any bill to pass the legislature; interim recess begins upon adjournment.

September 20-21, 2005 --- BoE meets in Culver City.

NOTABLE DATES/ HISTORY

July 11, 1798 --- The U.S. Marine Corps was formally re-established by the U.S. Congress. The act also created the U.S. Marine Band. The Marines were first commissioned by the Continental Congress on November 10, 1775.

July 11, 1804 --- Vice President Aaron Burr killed Alexander Hamilton in a pistol duel near Weehawken, NJ.

July 12, 1933 --- Congress passed the first minimum wage law (33 cents per hour).

July 13, 1787 --- Congress established the Northwest Territory (excluding slavery).

July 13, 1865 --- Horace Greeley advised his readers to "Go west young man."

July 13, 1898 --- The San Francisco Ferry Building at the foot of Market Street opened.

July 15, 1867 --- San Francisco's Merchant Exchange opened.

July 15, 1971 --- President Nixon announced he would visit People's Republic of China.

July 15, 1976 --- Three gunmen kidnapped 26 schoolchildren and their bus driver in Chowchilla, CA. All the victims escaped safely after being held for 36 hours.

July 16, 1790 --- Congress established the District of Columbia.

July 16, 1980 --- Ronald Reagan was nominated for President by the Republican National Convention in Detroit.

July 17, 1954 --- Construction began on Disneyland.

July 17, 1955 --- Disneyland opened in rural Orange County, California.

GENERAL TAX INFORMATION

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115
TDD service for the hearing impaired
TDD phones: 800-735-2929
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate's office for assistance with any BOE issues, see <http://www.boe.ca.gov/tra/tra.htm>, or call toll-free 1-888-324-2798.

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